



State of Utah

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DWS News Release

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UTAH'S EMPLOYMENT SITUATION: December 2006

Utah's number of non-farm wage and salaried jobs remains strong over the past year with an increase of 4.7 percent for December, 2006. Approximately 55,700 new jobs have been created in the Utah economy over the past year, raising total wage and salary employment in Utah to 1,241,000. Utah remains one of the best performing economies in the nation. Utah's November employment growth rate was revised up from 4.9 percent to 5.0 percent.

Utah's other primary indicator of current labor market conditions, the seasonally adjusted unemployment rate, registered 2.6 percent in December, down 1.4 percentage points from the unemployment rate of 4.0 percent registered a year ago in December, 2005. Approximately 34,400 Utahns were unemployed in December 2006 as compared to 51,000 in December 2005. November's unemployment rate is unrevised at 2.6 percent. The United States' unemployment rate remained unchanged at 4.5 percent in December.

Mark Knold, chief economist for the Department of Workforce Services commented, "We're starting to see the slowing in the Utah economy that we anticipated due to the extremely low unemployment rate. The economy can only grow as rapidly as the supply of available labor will allow. With Utah's unemployment rate this low, the labor supply is extremely restricted and is acting as a dampening factor upon economic growth instead of an enhancer. The bottom line is that growth will slow, but it will still be solid job growth. To the consumer and business on the street, it will feel like no change at all. Jobs will be available, wage growth will continue, and labor will remain tight."

Since December 2005, the United States' economy has added 1.9 million new jobs—a growth rate of 1.4 percent. The approximately 55,700 new jobs in Utah represent about 2.9 percent of all the **new** jobs added in the United States over the past year—this from a state that comprises less than 1 percent of **all** United States jobs.

As has been the case for two years, all employment sectors in Utah continue to add new jobs. This ranges from 13,400 new jobs in construction over the past year to 1,100 new jobs in the small sector called 'other services.' One thing to note is that the rate of growth is starting to recede. Prior to this point, the rate had been increasing for the past 41 months. This signals that, in terms of the rate of employment growth, we have reached and surpassed the top of the business cycle. Growth from here forward will occur at a diminishing pace.

Utah Labor Market Indicators December 2006

Employment Growth: 4.7%
Employment Increase: 55,700
Unemployment Rate: 2.6%

United States

Employment Growth: 1.4%
Unemployment Rate: 4.5%

The slowing of the economy is just beginning to happen, and is really centered upon two industries—construction, and professional and business services. Ironically, these are the two industry leaders in the current expansion, and remain the two sectors that have added the most new jobs over the past year. But, the rate of their employment growth has peaked and is moderating.

For example, the construction industry started adding new jobs in December 2003. The rate at which it has added new jobs has increased steadily since then—5,000 jobs in 2004, 9,000 jobs in 2005. The peak was reached in June 2006 with the addition of 15,000 new jobs over the past 12 months. Since then, the year-over growth has begun to recede. New construction jobs added since December of 2005 is now 13,400, a movement away from the June 2006 peak of 15,000.

Even with this slowing, construction remains the leading growth industry in Utah. The 13,400 new jobs added over the past year is a growth rate of 15.5 percent, still a torrid pace.

Professional and business services is the other industry that is pulling back in employment growth. At 9,800 new jobs over the past year, this remains Utah's second-best growth industry. Its current growth rate stands at 6.4 percent. But like construction, both the 9,800 new jobs and its corresponding 6.4 percent growth are down from a prior high point. This sector peaked in late 2005 with the addition of 11,000 new jobs over the past year.

Professional and business services is made up of two major components—high-paying professional and technical jobs, and lower-paying temporary help, placement agency, and telemarketing jobs. It is the latter that is seeing the employment slowdown, not the former. In fact, the hiring into professional and technical jobs may not have peaked yet. It is holding at around its peak of 6,000 jobs over the past year. But the worker placement and telemarketing areas have become vulnerable to reduced worker flows because of the tight labor market, and that clearly is starting to have an impact. Worker flows into those areas are being reduced, as more lucrative opportunities elsewhere have created a tight labor market for these industries.

As for Utah's remaining industrial sectors, the number of new jobs they are adding to the economy remains largely the same as several months ago. However, these other industries will be impacted as well in their ability to add new jobs, the longer these extremely low unemployment rates remain in play.

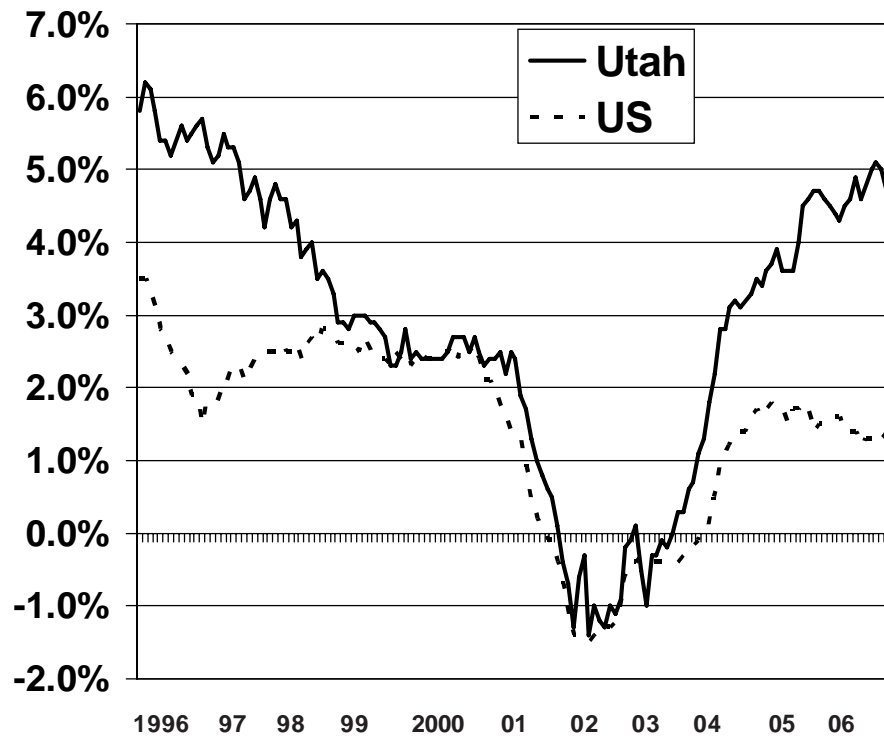
Utah's January employment numbers will be released at 9:00 a.m. on Tuesday, February 13, 2007.

Utah Nonagricultural Jobs by Industry and Components of the Labor Force

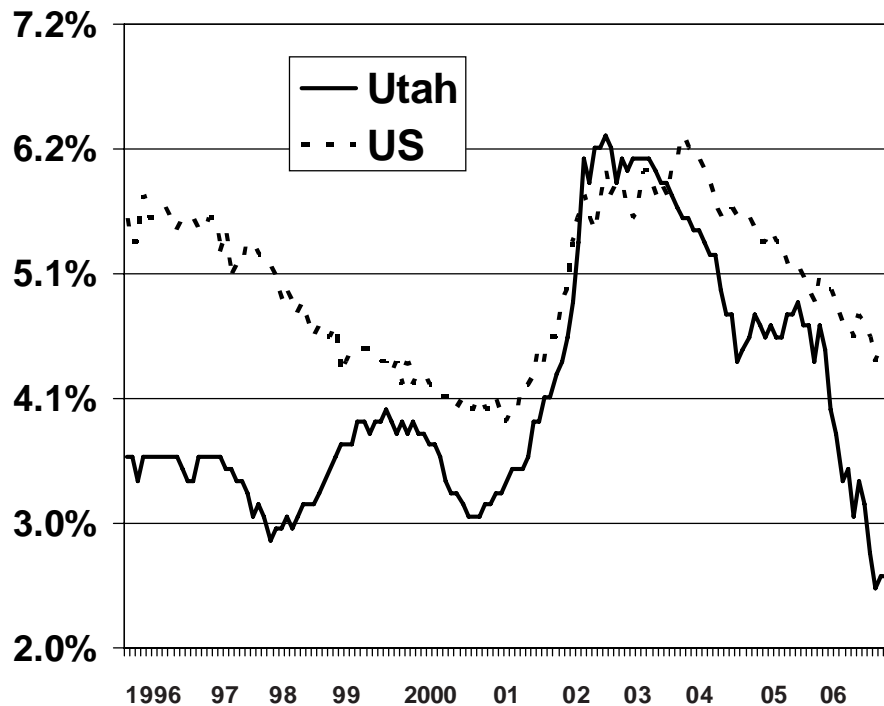
Numbers are in thousands and are not seasonally adjusted.	December(f) 2006	December 2005	Percentage Change	November(r) 2006	November 2005	Percentage Change
CIVILIAN LABOR FORCE	1,328.8	1,285.5	3.4	1,334.2	1,283.6	3.9
Employed	1,298.9	1,240.5	4.7	1,302.1	1,234.9	5.4
Unemployed	29.9	45.0	-33.6	32.1	48.7	-34.1
Unemployment Rate	2.3	3.5		2.4	3.8	
NONAGRICULTURAL EMPLOYMENT (Thousands)	1,241.0	1,185.3	4.7	1,236.2	1,177.7	5.0
GOODS PRODUCING	232.6	213.7	8.9	234.3	214.3	9.3
Natural Resources, and Mining	10.8	9.1	18.2	10.7	9.1	17.3
Construction	99.5	86.1	15.5	101.6	87.1	16.6
Construction of Buildings	22.5	19.6	15.0	22.7	19.4	17.2
Heavy and Civil Engineering	9.3	8.2	13.9	10.0	8.8	
Specialty Trade Contractors	67.6	58.3	15.9	68.8	58.9	16.8
Manufacturing	122.4	118.5	3.3	122.1	118.1	3.4
Durable Goods	81.6	78.7	3.7	81.5	78.7	3.5
Primary and Fabricated Metals	16.3	15.3	6.2	16.1	15.2	6.1
Computer and Electronic Products	11.3	11.1	1.9	11.2	10.9	2.2
Transportation and Equipment Manufacturing	14.5	14.3	1.0	14.4	14.4	0.7
Non-Durable Goods	40.8	39.8	2.5	40.6	39.4	3.2
SERVICES PROVIDING	1,008.4	971.5	3.8	1,001.8	963.4	4.0
Trade, Transportation, and Utilities	245.4	237.6	3.3	242.8	234.6	3.5
Wholesale Trade	45.8	44.4	3.2	45.9	44.2	3.9
Retail Trade	149.2	144.0	3.6	147.0	141.8	3.7
Motor Vehicle and Parts Dealers	17.7	17.1	4.0	17.9	17.2	3.7
Food and Beverage Stores	24.0	23.4	2.5	23.6	23.0	2.4
General Merchandise Stores	29.7	29.4	1.0	29.3	29.1	0.8
Transportation and Utilities	50.4	49.2	2.4	49.9	48.6	2.7
Utilities	4.1	4.0	3.0	4.1	3.9	3.2
Transportation & Warehousing	46.3	45.2	2.3	45.8	44.6	2.7
Air Transportation	6.6	6.7	-2.2	6.6	6.8	-3.2
Truck Transportation	18.7	18.1	3.3	18.6	18.0	3.3
Information	33.9	32.5	4.3	34.0	32.7	4.1
Publishing Industries	9.4	9.1	2.4	9.4	9.2	1.3
Motion Picture and Sound Recording	4.8	4.6	3.9	5.1	4.8	6.4
Telecommunications	6.3	5.8	7.5	6.3	5.8	7.5
Internet Service Providers	8.2	8.3	-1.2	8.1	8.2	-1.9
Financial Activities	73.5	70.4	4.5	72.7	69.1	5.1
Finance and Insurance	54.9	53.0	3.6	54.6	52.3	4.4
Real Estate and Rental and Leasing	18.6	17.4	7.3	18.1	16.8	7.5
Professional and Business Services	162.9	153.1	6.4	163.0	152.4	7.0
Professional, Scientific, and Technical Services	63.8	58.3	9.3	63.2	57.3	10.3
Architectural, Engineering, and Related	12.3	11.1	10.6	12.3	11.1	10.6
Computer Systems Design and Related	14.5	13.4	8.2	14.3	13.1	9.0
Management of Companies and Enterprises	21.3	21.2	0.8	21.3	21.2	0.7
Administration & Support						
& Waste Management & Remediation	77.8	73.6	5.6	78.5	73.9	6.3
Employment Services	28.1	26.0	8.2	28.5	26.0	9.7
Business Support Services	17.2	17.2	0.0	17.0	16.8	1.2
Education and Health Services	138.8	133.3	4.1	138.3	132.8	4.1
Educational Services	32.5	31.0	4.8	32.5	30.9	5.1
Health Services and Social Assistance	106.3	102.3	3.9	105.7	101.8	3.8
Ambulatory Health Care Services	40.8	39.0	4.5	40.4	38.7	4.5
Hospitals	30.5	29.6	3.1	30.4	29.5	3.0
Nursing and Residential Care Facilities	19.8	18.9	4.6	19.9	19.0	4.4
Social Assistance	15.2	14.7	3.0	15.1	14.6	3.1
Leisure and Hospitality	109.4	105.6	3.6	106.3	102.5	3.7
Arts, Entertainment, and Recreation	17.9	17.3	3.7	15.9	15.2	4.2
Accommodation and Food Services	91.4	88.3	3.6	90.4	87.3	3.6
Accommodation	17.3	16.7	3.6	16.7	16.1	3.7
Food Services and Drinking Places	74.2	71.6	3.6	73.7	71.2	3.5
Other Services	34.6	33.5	3.5	34.4	33.2	3.6
Government	209.9	205.5	2.1	210.3	206.1	2.0
Federal Government	35.6	34.7	2.4	35.9	35.1	2.3
Federal Defense	16.8	16.5	2.2	16.7	16.4	1.7
Other Federal Government	18.7	18.3	2.6	19.2	18.6	2.8
State Government	64.9	63.7	1.8	65.1	63.8	2.0
State Schools	36.4	35.7	1.9	36.5	35.8	1.7
Other State Government	28.5	28.0	1.8	28.6	27.9	2.3
Local Government	109.4	107.1	2.1	109.4	107.2	2.0
Local Education	63.7	63.2	0.8	63.6	63.0	0.8
Other Local Government	45.7	43.9	4.1	45.8	44.2	3.7

Source: Utah Department of Workforce Services f = forecast r = revised December 19, 2006

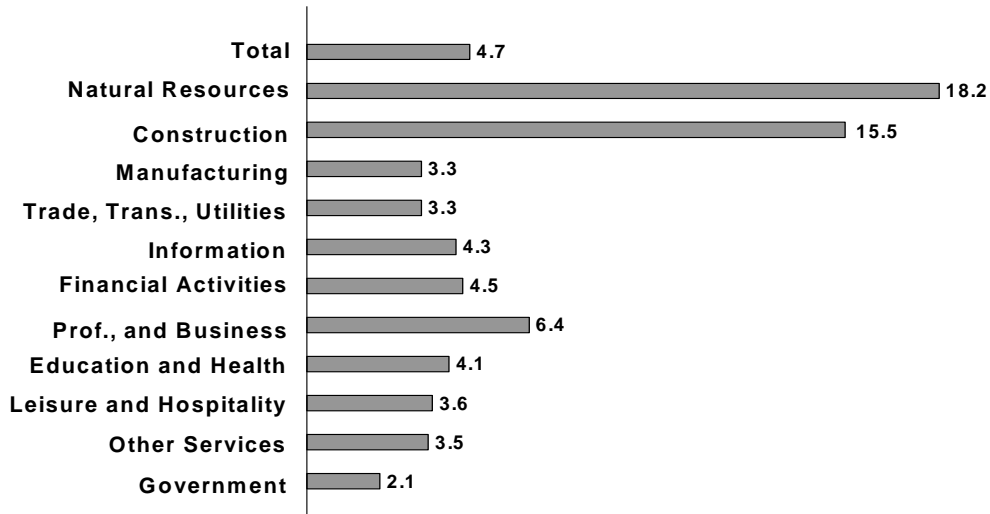
Year-Over Percent Change in Nonfarm Jobs



Seasonally Adjusted Unemployment Rates

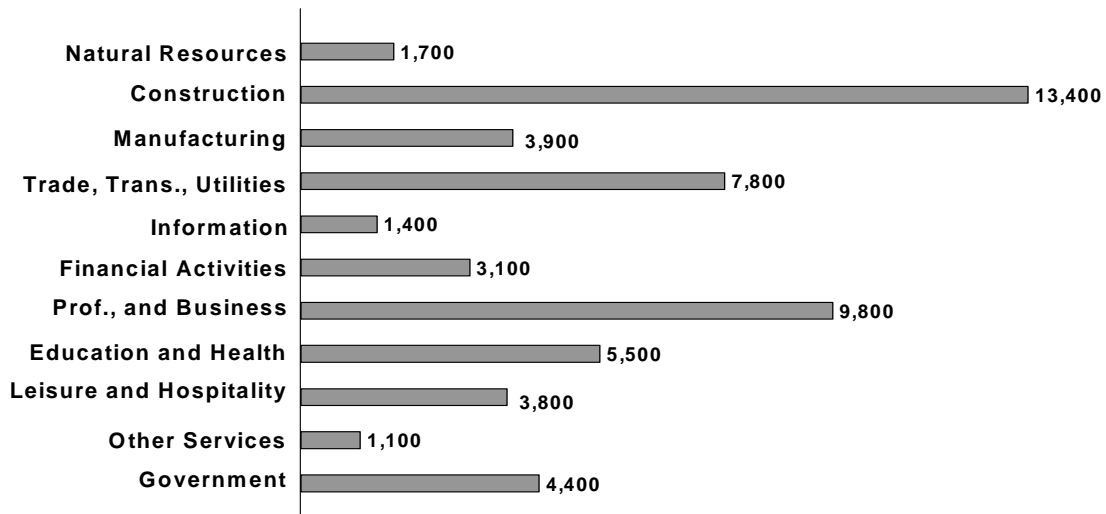


Utah Nonfarm Job Growth (Percent Change) December 2005 – 2006



Source: Utah Department of Workforce Services

Utah Nonfarm Job Growth (Numeric Change) December 2005 – 2006



Source: Utah Department of Workforce Services

NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	Dec. 2006(f)	Dec. 2005	Percent Change	Nov. 2006(r)	Oct. 2006(r)
State Total	1,241,004	1,185,314	4.7	1,236,157	1,229,459
Bear River	70,470	68,435	3.0	70,008	69,669
Box Elder	19,833	19,387	2.3	19,773	19,847
Cache	50,060	48,500	3.2	49,636	49,145
Rich	577	548	5.3	598	677
Wasatch Front	811,351	778,999	4.2	809,672	804,673
North	197,778	191,361	3.4	199,078	198,958
Davis	102,038	97,968	4.2	103,635	104,119
Morgan	1,863	1,839	1.3	1,875	1,886
Weber	93,877	91,554	2.5	93,568	92,953
South	613,573	587,638	4.4	610,594	605,715
Salt Lake	598,518	573,237	4.4	595,551	590,674
Tooele	15,055	14,401	4.5	15,044	15,042
Mountainland	213,525	202,848	5.3	209,758	207,478
Summit	23,014	21,971	4.7	19,866	18,887
Utah	183,419	174,820	4.9	182,831	181,544
Wasatch	7,092	6,057	17.1	7,061	7,047
Central	24,399	23,118	5.5	24,518	24,730
Juab	3,523	3,034	16.1	3,563	3,641
Millard	4,046	3,883	4.2	4,034	4,061
Piute	332	301	10.1	354	356
Sanpete	7,463	7,304	2.2	7,454	7,416
Sevier	8,087	7,679	5.3	8,110	8,155
Wayne	949	917	3.5	1,003	1,100
Southwestern	78,095	72,351	7.9	78,419	78,654
Beaver	2,054	1,939	6.0	2,033	2,090
Garfield	1,799	1,800	0.0	2,010	2,373
Iron	17,943	16,553	8.4	18,006	17,921
Kane	2,857	2,705	5.6	2,984	3,139
Washington	53,442	49,354	8.3	53,385	53,131
Uintah Basin	21,312	18,712	13.9	21,361	21,337
Daggett	399	411	-2.9	433	479
Duchesne	6,956	5,990	16.1	7,004	7,010
Uintah	13,957	12,311	13.4	13,925	13,848
Southeastern	21,851	20,851	4.8	22,421	22,919
Carbon	9,827	9,249	6.3	9,969	9,884
Emery	3,935	3,812	3.2	4,014	4,006
Grand	4,048	3,961	2.2	4,301	4,772
San Juan	4,041	3,829	5.5	4,137	4,256

f = forecast r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 1/16/07